

February 15, 2007

**Statement by Congressman Pete Stark
Introducing the Foster Children Self Support Act**

Madam Speaker, I rise today to introduce the "Foster Children Self Support Act." This bill will codify into federal law what should be common sense: abused and neglected children should not be used as a funding stream for states that should be acting in the best interests of these extremely vulnerable children.

In nearly every state in the country, foster children eligible for Social Security benefits because of a disability or the loss of a parent are having those benefits taken by the very state agencies charged with providing for them. The "Foster Children Self Support Act" would end that practice. Instead, it would require states to use a child's Social Security benefits to meet the immediate needs of that child or set aside those benefits to assist the child with transitioning to adulthood when that child emancipates from care.

The Congressional Research Service (CRS) estimates that approximately 30,000 foster children (out of 500,000 nationwide) receive either Supplemental Security Income (SSI) or OASDI (Old Age, Survivors, and Disability Insurance) benefits each month. Unfortunately, hardly any of these children will benefit from these funds. Nor will the children have the option to save the money as a nest egg for when they leave care. This is because state child welfare agencies routinely make themselves the representative payee so that they have control over the child's benefits. Often, neither the child nor the child's advocate knows that Social Security benefits are being sent to the agency. Once the welfare agency controls the benefits they are free to use them however they please.

In this manner, state welfare agencies take an estimated \$156 million per year from foster children. The practice has devastating consequences, as evidenced by the case of "John G.," a foster child in North Carolina. John was willed a house when his adoptive father died of cancer. The house had a \$221 monthly mortgage. Luckily for John he was entitled to approximately \$560 in Social Security OASDI benefits. However, the child welfare agency, who had made themselves John's representative payee, decided they would rather keep the money than ensure John had a place to live when he left foster care. Just as his house was about to

be foreclosed on, John went to court. Currently, the welfare agency is making the payments under a court order. The future of John's house is still very much in doubt because the agency has appealed and the law may not be on John's side.

Although John G.'s case is particularly egregious, all foster children and former foster children face tremendous challenges. Foster children often enter care having suffered from serious emotional, mental, and/or physical abuse. For example, they suffer from Post Traumatic Stress Disorder (PTSD) at a rate twice as high as Iraq War veterans. Then, when children emancipate from care they are dependent on public assistance, become incarcerated or homeless, and are unemployed at rates higher than nearly any other group of Americans. The "Foster Children Self Support Act" is especially important since it is safe to assume that those children who have lost their parents or are receiving SSI due to severe mental or physical disabilities are among the most needy.

The "Foster Children Self Support Act" provides a way to help these children. It does so by mandating that states develop a plan for foster children with Social Security benefits. The plan would lay out how to best use a child's Social Security benefits as a resource to best meet the current and future needs of that child. The plan must be specific to each child receiving Social Security benefits and made in partnership with the child and the child's advocate. If this bill were law, states would no longer be allowed to simply use children's Social Security money as they see fit. Instead, this money would have to be used as any parent would use it: to provide for the child's particular needs and help plan for the child's future.

The bill will:

- Require that states screen all foster children for Social Security eligibility and assist them in application;
- Require states to identify other appropriate representative payees for eligible children, such as family members, before becoming the payee themselves;
- Prohibit states who are payees from using a child's Social Security benefits to reimburse themselves for the cost of foster care;
- Require states to develop a plan, with a child and that child's advocate(s), on how to best use the Social Security benefits to provide for the current and future needs of the child;
- Provide for the conservation of Social Security funds in dedicated accounts that a child can access when they leave care to pay for things like housing, education, transportation, and

other life expenses;

- Require the GAO to report back to Congress on states' progress in screening all foster children for Social Security eligibility.

Improving our child welfare system has repercussions throughout our society. Foster children who age out of the child welfare system without having developed family supports or skills that can lead to employment create a large societal cost. In the next 15 years 300,000 foster children will age out of care without any transition supports. Congress has a moral obligation to provide foster children with the resources they need to become independent adults. The "Foster Children Self Support Act" is a small part of fulfilling this obligation and a large step toward helping one of the most vulnerable groups of foster children.

Attached are two news articles for the record that illustrate the consequences of our current policy.

I urge my colleagues to join me in support of this important legislation.